

Performance Funding

In 2011, Gov. Jay Nixon directed the Department of Higher Education to develop a formula to allocate future funding increases to public higher education institutions according to their performance.

Developing Missouri's performance funding model

A task force, appointed by the commissioner of higher education, developed a performance funding model in 2012 based on five performance indicators. Four of the measures are common to all higher education institutions within a sector, and one is selected by the individual institution to reflect its mission and scope. Each higher education institution can earn one-fifth of its available performance funding by demonstrating success for each one of its five performance measures.

Missouri's four-year institutions can choose one of two ways to meet each of the first four indicators. The Indicators established for Missouri's public four-year colleges are:

- Student success and progress – freshman to sophomore retention or first-time, full-time freshman completing 24 credit hours their first academic year.
- Increased degree attainment – the total number of degrees awarded or the six-year graduation rate.
- Quality of student learning – improvements in assessments of general education or major field of study or improvements on professional/occupational licensure tests.
- Financial responsibility and efficiency – the percent of total education and general expenditures on the core mission of the college or university or the increase in education revenue per full-time student at or below the increase in the Consumer Price Index.
- An institution-specific measure approved by the Coordinating Board for Higher Education.

Indicators established for Missouri's public two-year colleges are:

- Three-year completion rate for first-time, full-time entering students.
- Percentage of developmental students successfully completing their last developmental English course and first college-level English course.
- Percentage of developmental students successfully completing their last developmental math course and first college-level math course.
- Percentage of career/technical students who pass their required licensure/certification examination.
- An institution-specific measure that addresses financial responsibility and efficiency measures.

The performance measures are evaluated based on a three-year rolling average. Success for each measure is defined as improvement over each institution's performance from the previous year, or, when applicable, maintenance of a high level of performance in relation to a previously established threshold.

Fiscal Year 2013 was the baseline year for data collection for the new performance funding model. Missouri colleges and universities received funding based on the performance funding model for fiscal years 2014 and 2015.

Performance funding in state statute

Legislation passed in 2014 established performance funding in state statute. It also called for a sixth performance item to measure student job placement in a field or position associated with the student's degree level and pursuit of a graduate degree. The Department of Higher Education assembled a second performance funding task force to recommend how the sixth measure should be put into place. The department is currently working on establishing the sixth measure in the performance funding model.

